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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 18, 2000

APPLICATION OF

VERIZON SOUTH INC.

CASE NO. PUC000265

For approval of its
Plan for Alternative Regulation

ORDER FOR NOTICE AND COMMENT

Verizon South Inc. ("Verizon South" or "Company") filed, on October 2, 2000, the above-captioned application, pursuant to § 56-235.5 of the Code of Virginia. The Company has requested the State Corporation Commission ("Commission") adopt for it a Plan for Alternative Regulation ("Plan") that employs a price indexing mechanism similar to those previously approved for Verizon Virginia Inc. when that company was known as Bell Atlantic-Virginia, Inc., and the Sprint local exchange companies, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia.

Verizon South asserts that the proposed Plan, which is attached to the application, meets the statutory requirements for approval and is in the public interest. The Company represents that it worked extensively with the Staff of the Commission to develop the Plan.

The Plan's major provisions would cap prices for Verizon South's basic local exchange services to January 1, 2004, and

permit (but not require) increases to these services at no more than one half the change in the Gross Domestic Product Price Index thereafter. For services classified as discretionary, price increases are limited to no more than 10% per year. The Plan provides that no price increases for basic or discretionary services will be permitted unless Verizon South is meeting Commission standards for service quality and reliability.

NOW THE COMMISSION, upon consideration of the application, is of the opinion that public notice of the application should be given and a period established for the receipt of public comment or requests for hearing upon the application.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUC000265.
- (2) The Company shall publish, on or before November 3, 2000, the following notice as display advertising in newspapers having general circulation throughout its service territory within the Commonwealth:

NOTICE TO THE PUBLIC THAT VERIZON SOUTH INC.
f/k/a GTE SOUTH INCORPORATED, HAS APPLIED TO
THE STATE CORPORATION COMMISSION FOR A NEW
PLAN OF ALTERNATIVE REGULATION
CASE NO. PUC000265

Verizon South Inc. ("Verizon South" or "Company"), formerly known as GTE South Incorporated, filed an application with the State Corporation Commission on October 2, 2000, for a new Plan of Alternative Regulation, pursuant to § 56-235.5 of the Code of Virginia. Under the proposed Plan, prices for basic local exchange services provided by the Company would be capped at their current level through January 1, 2004.

After this date, prices for basic services may, but are not required to, be increased by no more than one half the previous year's change in the Gross Domestic Product Price Index. Prices for services classified as discretionary under the Plan may, but are not required to, be raised no more than 10% per year. Prices for services classified as competitive are not capped and are subject to change at any time. The Plan provides that no price increases for basic or discretionary services will be permitted unless Verizon South is meeting Commission standards for service quality and reliability. The Plan contains several other provisions.

The proposed Plan and the Company's application are available for public inspection at the State Corporation Commission's Document Control Center, Monday through Friday, between the hours of 8:15 a.m. and 5:00 p.m., in the Tyler Building, 1300 East Main Street, Richmond, Virginia. A copy of the application and proposed Plan may also be obtained by written request to Verizon South's counsel, Lydia R. Pulley, Vice President and General Counsel, Verizon South Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

Interested persons may comment or request a hearing on the proposed Plan by filing, on or before November 21, 2000, an original and five (5) copies of any such document with the Clerk of the State Corporation Commission, whose mailing address is P.O. Box 2118, Richmond, Virginia 23218. Any document filed must refer to Case No. PUC00265, and one (1) copy must be served at the time of filing with the Company's counsel listed above. Requests for hearing should state an appropriate basis for convening a hearing and indicate the evidence the filing party intends to offer at any hearing. In the absence of a sufficient request for hearing, the Commission may act upon the papers filed in this case without convening a hearing.

VERIZON SOUTH INC.

(3) On or before November 21, 2000, interested parties may comment or request a hearing on the application and proposed Plan by filing an original and five (5) copies of such document with the Clerk of the Commission.

(4) This matter is continued for further orders of the Commission.